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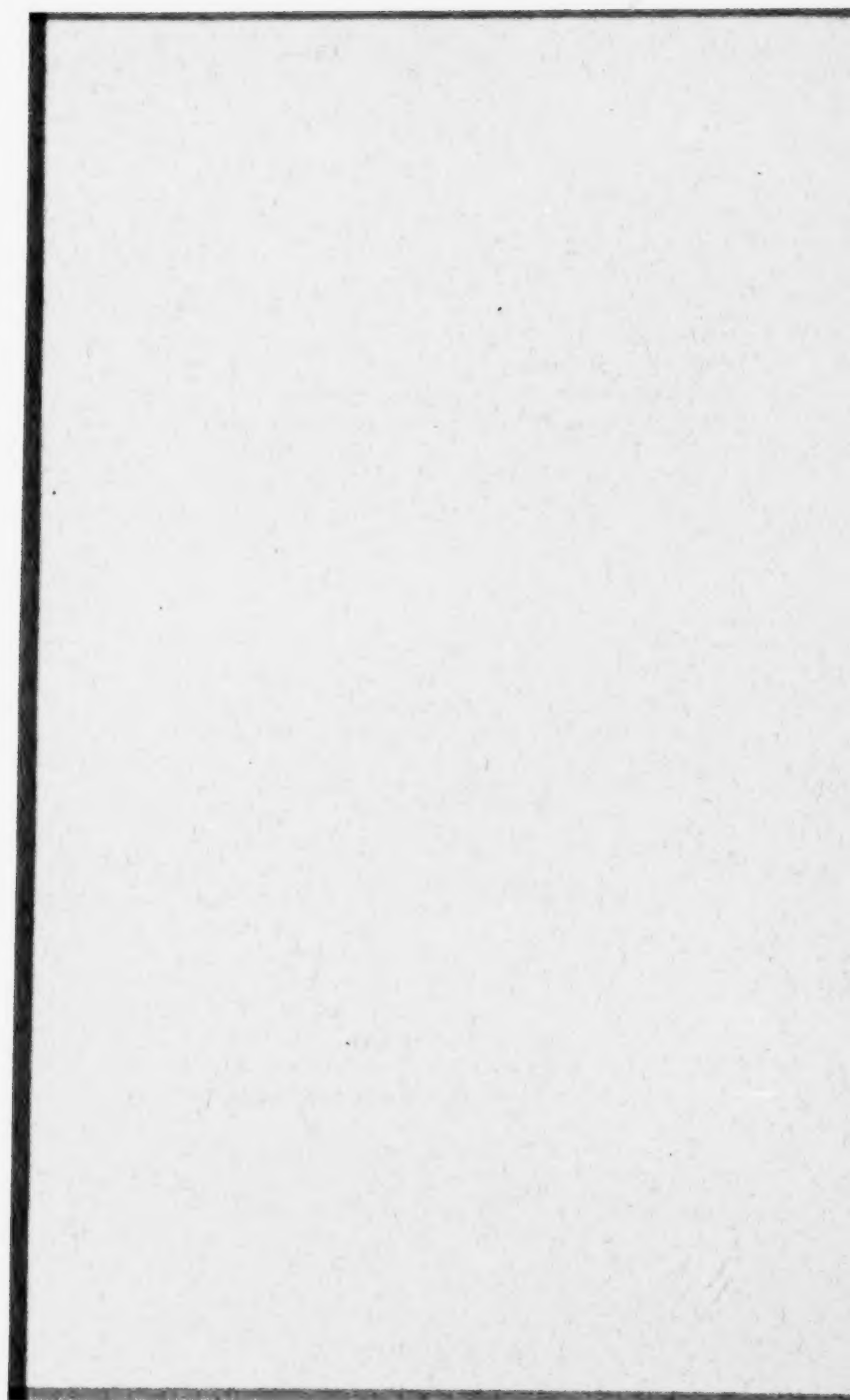
No. 975

AETNA AUTO FINANCE, INC., A CORPORATION,
Petitioner,
vs.

AETNA CASUALTY & SURETY COMPANY, A COR-
PORATION.

PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE FIFTH CIRCUIT AND BRIEF IN SUP-
PORT THEREOF.

ARMWELL L. COOPER,
BUTLER DISMAN,
HARVEY DERAMUS,
Counsel for Petitioner.



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SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1941

No. 975

AETNA AUTO FINANCE, INC., A CORPORATION,
against *Petitioner,*

AETNA CASUALTY & SURETY COMPANY, A CORPORATION,
Respondent.

**PETITION FOR A WRIT OF CERTIORARI TO THE
CIRCUIT COURT OF APPEALS FOR THE FIFTH
CIRCUIT.**

*To the Honorable Chief Justice and the Associate Justices
of the Supreme Court of the United States:*

Aetna Auto Finance, Inc., respectfully petitions for a writ of certiorari to review a final decision of the Circuit Court of Appeals for the Fifth Circuit, rendered November 14, 1941, (R. 208), and reported in 123 F. (2d) 582. A motion for rehearing was duly filed that was denied on December 16, 1941. This decision reversed a decree (R. 188-189) that was entered on August 7, 1940, by the District Court for the Southern Division of the Northern District of Alabama (not reported).

Questions Presented.

This Petition involves the following questions:

First: Whether generic and common words, in combination, can be preempted or exclusively appropriated, as

trade names, so that they are not available for use by others, in connection with dissimilar and non-competitive lines of business and industry.

Second: Whether injunctive relief, on the ground of unfair competition, should be granted, as a punishment for actions entirely discontinued before suit, or should be exercised only to prevent an actual or threatened injury from being continued.

Third: Whether injunctive relief, on the ground of unfair competition, should be granted, in the absence of competition of some kind, or character, whether in resemblance of products or services offered to the public, or in similarity of respective classes of business, or of some unfair practices that produce or threaten injury.

Fourth: Whether alleged improper motives, or intentions, are sufficient for or material to injunctive relief, on the ground of unfair competition, when the acts complained of are proper and lawful of themselves.

Fifth: Whether a local name statute, intended to prevent assumption of identical or closely similar corporate names, can be invoked or interpreted to warrant injunctive relief, on the ground of unfair competition, where the names in question are without the slightest similarity.

Summary Statement of Matter Involved.

The petitioner, Aetna Auto Finance, Inc., (respondent below), was incorporated on the 3rd of August, 1937, by the State of Alabama, as the State Finance Company, to carry on and conduct the business of lending money with automobiles as collateral security, as a subsidiary of a large and nationally known corporation engaged in the same kind and type of business (R. 145, Ex. H-44), (R. 153, Ex. H-96).

After the charter had been issued, counsel for the company was advised by the State that the designated corporate name would have to be changed because the same name was in use by another local corporation. The present name of petitioner was adopted on September 15, 1937, and has been continuously in use since that time (R. 129, Ex. II-96, R. 153).

The respondent, Aetna Casualty & Surety Company (complainant below) was incorporated under the laws of the State of Connecticut, with its principal place of business at Hartford, in that State. It was engaged exclusively in the insurance business and was authorized to conduct such business in the State of Alabama.

Several months after Petitioner had commenced business, respondent advised petitioner that it had "preempted the name (Aetna) and particularly the connotation implied by joinder of the words 'Aetna' and 'Auto'"; that it objected to the use of these two words in combination and also the advertising slogans "A new plan for Auto Loans", "The National Program", "Dealing with a reputable company with a National reputation", "Aetna brings to Birmingham a new plan for Automobile Loans", and "A National Institution lending money exclusively on motor vehicles"; and demanded that petitioner remove the word "Aetna" from its corporate name (R. 26).

Petitioner advised respondent that the phrases to which objection had been made and also the use of the word "Aetna" standing alone would be discontinued, but that the word "Aetna" would not be eliminated from its corporate name. The advertising media and slogans to which exception had been taken were immediately discontinued and were never employed or used since that date.

Regardless of this action on the part of petitioner, a bill of equity was filed at Birmingham, Alabama, in which respondent sought to enjoin petitioner from the use of the

word "Aetna" as a part of its legally authorized corporate name (R. 1) on the alleged theory that petitioner was unlawfully competing with respondent: (1) by attempting to mislead the public to believe that it was affiliated with respondent; (2) by attempting to pirate the good will of respondent; (3) by crediting its business with an unwarranted financial responsibility; (4) by endeavoring to gain the benefit of respondent's reputation and advertising.

The bill alleged that the terms "Aetna" and "Auto" had been used extensively in the promotion of respondent's insurance business, but did not allege that these words, whether singly or in conjunction, had been registered as a trade mark, or that respondent was authorized or intended to engage in the business of making automobile loans, or that petitioner was authorized or intended to engage in the insurance business. There was no allegation that respondent, or its business, had been damaged, or that any actual or potential business had been diverted from it. The bill prayed that petitioner be perpetually enjoined from the use of the word "Aetna" as a part of its corporate name.

The advertising pamphlets that had been discontinued by petitioner were the exhibits attached to the bill of respondent and formed the basis of its allegations.

Petitioner, by its answer, denied all allegations of improper motive; alleged that it was engaged solely in the automobile loan business, and was not engaged and did not intend to engage in the business of soliciting, selling or writing insurance; that the two companies were not competing with each other, either fairly or unfairly; that the finance business and the insurance business were non-competitive and unrelated, and did not come within the same field or classification, and that all slogans, statements and advertising matter to which objection was made had been discontinued long before suit was commenced.

After issues were joined, the cause was referred to a

Special Master who was directed to receive evidence, make findings of fact and conclusions of law, and to report the same to the court (R. 30). After extensive hearings, the Master found that respondent had established a secondary meaning of the word "Aetna", when used in connection with the insurance business, but that petitioner was not engaged in the insurance business, nor was it in any way competing with respondent; that the corporate name of petitioner was not identical with or so similar to that of respondent as to lead to confusion or uncertainty; that there was no similarity in the literature or advertising of respondent that would tend to deceive the public into the belief that there was any connection between petitioner and respondent, and that prior to the institution of suit, petitioner had voluntarily discontinued the use of all advertising slogans and phrases to which objection had been taken, and that the same or similar material had not been used by petitioner since the time of discontinuance. The Master also made certain findings of law to the effect that respondent had not established facts sufficient to constitute unfair competition, and that its bill in equity should be dismissed with prejudice as to the facts alleged therein.

The District Court, on August 7, 1940, overruled objections and exceptions to the report of the Special Master, entered a decree confirming his report and dismissed the bill of complaint. The Circuit Court of Appeals for the Fifth Circuit reversed the order of said District Court and directed the issuance of the injunction as prayed for by said respondent.

Reasons Why A Writ of Certiorari Should Issue.

1. The Circuit Court of Appeals for the Fifth Circuit has decided an important question in a way that is in conflict with the decisions of this Court and of other Circuit Courts of Appeal in that it has sanctioned the preemption and

exclusive appropriation, as a trade name, of two words, in combination, namely, "Aetna" and "Auto", both of which have enjoyed a wide and general use and have peculiarly suggestive meanings.

2. The decision of the Circuit Court of Appeals for the Fifth Circuit is in conflict with the decisions of other Circuit Courts of Appeal in that relief by a court of equity, which is predicated on unfair competition, presupposes competition of some character, either in resemblance of the products or services offered to the public or in the similarity of the respective classes of business.

3. The Circuit Court of Appeals for the Fifth Circuit has rendered a decision to the effect that alleged improper motives, or intentions, are sufficient to warrant injunctive relief, in a case of unfair competition, which is in conflict with the decision of another Circuit Court of Appeals that intention is not material if the defendant had the right to do that which is complained of.

4. The Circuit Court of Appeals for the Fifth District has decided an important question of local law in a way probably in conflict with applicable local decisions, in holding that under an Alabama Statute (Title 10, Section 2, Alabama Code), prohibiting assumption of a name identical with that of a corporation already existing in such State, or so nearly similar thereto as to lead to uncertainty, a foreign corporation engaged in the insurance business in Alabama, under the name of "Aetna Casualty & Surety Company", is entitled to an injunction, on the ground of unfair competition, against the use of the name "Aetna Auto Finance, Inc.", by a domestic corporation engaged in the automobile loan business.

5. The Circuit Court of Appeals for the Fifth Circuit has so far departed from the accepted and usual course

of judicial proceedings, which provide that findings of fact by a Special Master shall not be set aside unless clearly erroneous, and that due regard shall be given to the opportunity of such Master to judge of the credibility of the witnesses appearing before him, as to call for an exercise of the power of supervision of this Court. This is more particularly provided for in Rule 52 of the new Federal Rules of Civil Procedure.

Prayer.

For the foregoing reasons, further developed in the accompanying brief, your petitioner respectfully prays that a writ of certiorari issue out of this Honorable Court, directed to the Circuit Court of Appeals for the Fifth Circuit, commanding said court to certify and send to this Honorable Court, on a day to be determined, a full and complete transcript of the record of all proceedings of such Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Honorable Court; that the final order and decree of the Circuit Court of Appeals for the Fifth Circuit may be reversed; and that your petitioner be granted such other and further relief in the premises as to this Honorable Court may be deemed just and proper.

Birmingham, Alabama, February 25, 1942.

AETNA AUTO FINANCE, INC.,

A CORPORATION,

Petitioner,

By ARMWELL L. COOPER,

Kansas City, Missouri,

BUTLER DISMAN,

Kansas City, Missouri,

HARVEY DERAMUS,

Birmingham, Alabama,

Counsel for Petitioner.

BRIEF IN SUPPORT OF PETITION.

Opinions Below.

The opinion of the United States District Court for the Southern Division of the Northern District of Alabama, delivered August 7, 1940, by T. A. Murphree, J., is set forth at pages 188-189 of the record and is not reported. It confirmed the findings of fact and conclusions of law made and reported to the court by the Special Master, the said report appearing on pages 157-175 of the record. The original opinion of the Circuit Court of Appeals for the Fifth Circuit (R. 202) delivered November 14, 1941, by Hutcheson, J., is reported in 123 F. (2d) 582. An application for a rehearing was duly filed by petitioner on the 3rd day of December, 1941, and was overruled by the Circuit Court of Appeals on the 16th day of December, 1941, (R. 225).

Jurisdiction.

The decree of the Circuit Court of Appeals for the Fifth Circuit was entered November 14, 1941, (R. 208), and application for rehearing was denied on December 16, 1941, (R. 225). The jurisdiction of this Court is invoked under the provisions of section 240 (a) of the Judicial Code, as amended by the act of February 13, 1925; 43 Stat. 938 (28 U. S. C. A., section 347).

Statement of the Case.

A summary statement of the facts is given in the petition, pages 2-5.

Specification of Errors to be Urged.

All errors assigned in the petitioner's application for a rehearing filed in the Circuit Court of Appeals for the

Fifth Circuit (as in the record, pages 209-225), are intended to be urged here, also all errors believed to be found in the conclusions contained in the decision of the Circuit Court of Appeals of which review is sought.

Summary of Argument.

I. The law will not sanction the exclusive appropriation, as a trade name, of words and names, either singly or in combination, that have enjoyed a wide and general use and which have a peculiarly suggestive meaning.

II. Relief by a court of equity, on the ground of unfair competition, presupposes competition of some character, either in resemblance of the products or services offered to the public or in a similarity of the respective classes of business.

III. In absence of competition, there must be some element of unfairness, fraud or bad faith to warrant injunctive relief.

IV. In cases of unfair competition, intention or motive is not material if the acts complained of are lawful in themselves.

V. In the absence of unlawful design or actual or threatened damage, injunctive relief will be withheld in cases of unfair competition even though the parties have corporate names that are almost identical and are engaged in similar lines of business.

VI. The Federal Rules of Civil Procedure are violated by a disregard, without just cause, of findings of fact made by a Special Master.

ARGUMENT.

The law will not sanction the exclusive appropriation, as a trade name, of words and names, either singly or in combination, that have enjoyed a wide and general use and which have a peculiarly suggestive meaning.

The word "Aetna" to which respondent is now asserting a right to exclusive use, is geographic in origin. It is the Latin name for a lofty and majestic volcano in Sicily. For more than 3,000 years, even before the rise and fall of the Roman Empire, this mountain has been called "Aetna", although the modern Italian spelling has been changed to read "Etna". This mountain is as well known as the famous Rock of Gibraltar, the Pikes Peak of our own country, or the Mount Ararat of biblical fame.

As a result of long and continued use, this name has been widely and generally employed throughout the length and breadth of the United States, and elsewhere, to characterize many different kinds and classes of business enterprises. It has received a general and diversified use which extends to window washing enterprises, detective agencies, building and loan concerns, smelting and refining companies, hotels, furniture stores, garages, banks and almost a countless number of other varied business activities. The word has had a peculiar attractiveness to the public mind, and has been the kind of word which business men will adopt as a suitable name for almost any type of business which they desire to promote. It can be said without fear of contradiction, that the name "Aetna" is as common a name as any other in the business vocabulary.

The word "Auto" which is merely a corruption or abbreviation of the word "automobile" is, likewise, in universal usage. It, undoubtedly, is typically suggestive of the mechanical contrivance that is so widely used and so well known in this and other countries.

This Court has recognized that there is a certain class of words that have enjoyed a wide and general use by the public, because of their peculiarly suggestive meaning, and has held, in many cases, that such names are not subject to exclusive appropriation, or preemption, as trade names, by individuals or corporations, outside of the particular fields in which they operate.

In the case of *Goodyear's India Rubber Glove Manufacturing Company v. The Goodyear Rubber Company*, 128 U. S. 598, 32 L. Ed. 535, the court said:

"Names which are thus descriptive of a class of goods cannot be exclusively appropriated by anyone. * * * Names of such articles cannot be adopted as trade marks, and be thereby appropriated to the exclusive right of anyone; nor will the incorporation of a company in the name of an article of commerce, without other specification, create any exclusive right to the use of the name." (l. c. 603)

The same pronouncement of law with reference to geographical names was set forth in the case of *The Columbia Mill Company v. William W. Alcorn, et al.*, 150 U. S. 460, 37 L. Ed. 1144:

"The appellant was no more entitled to the exclusive use of the word 'Columbia' as a trade mark, than he would have been to the use of the word 'America', or 'United States', or 'Minnesota' or 'Minneapolis'. These merely geographical names cannot be appropriated and made the subject of exclusive property. They do not, in and of themselves, indicate anything in the nature of origin, manufacture, or ownership; and in the present case the word 'Columbia' gives no information on the subject of origin, production or ownership." (l. c. 467)

The leading case on this subject is that of *American Steel Foundries v. Robertson*, 269 U. S. 372, 70 L. Ed. 317. In

this case the plaintiff sought to compel the registration of the word "Simplex" in connection with the manufacture and sale of brake beams and similar appliances. The application was resisted by the Simplex Electrical Heating Company which manufactured insulating and conducting wires. Mr. Justice Sutherland, speaking for the Court, said as follows:

"The word involved in this case is one of a large class of words which have for a great many years been much used because of their peculiarly suggestive meaning. For other examples there are the words 'Aeme', 'Anchor', 'Champion', 'Eureka', 'Excelsior', 'Ideal', 'Jewel', 'Sunlight', 'Triumph', 'Victor'. It would be a serious matter if the law actually permitted anyone who chose to do so to organize a series of corporations with names containing these words, respectively, and thereupon virtually withdraw these words from public use as trade marks and monopolize them by preventing their registry as such." (l. c. 163)

The same doctrine was announced by the Circuit Court of Appeals for the Seventh Circuit in the case of *Pabst Brewing Co. v. Decatur Brewing Co., et al.*, 284 F. 110. In that case, the Pabst Brewing Company had for many years used and employed the words "Blue Ribbon" as a trade name to describe beer produced by it. The defendant made use of the same words in the production and sale of a malt extract which was used commonly during the era of prohibition as an ingredient in the manufacture of beer. The trial court refused to grant an injunction prohibiting the use of the words "Blue Ribbon" and the Court of Appeals, in sustaining the judgment below, based its opinion entirely on the fact that the words involved enjoyed a wide and general use and could not be exclusively appropriated.

The reports are replete with many cases touching the same point and consequently the rule now is generally

acknowledged to be that exclusive appropriation of a commonly and generally used word will not be permitted, but that the rights to such a word will be limited to the peculiar type of business with which such name has in any particular case been associated.

The Circuit Court of Appeals, in the instant case, has apparently recognized this statement of the law, and has inferentially concluded that the word "Aetna" could not be exclusively appropriated, but that the use of this word in connection with the word "Auto" could be preempted. The exact language of the Court in this particular, is as follows:

"What is confusing here and what makes it plain that the defendant must be held accountable for its actions, is that it has not contented itself with merely using the word "Aetna" for its name, but has taken the combination "Aetna Auto", which plaintiff by its advertising, has made *completely suggestive of itself.*" (Italics ours)

The word "Auto" is a word of common and general usage and could not by itself be appropriated and withdrawn from general use. It is, therefore, submitted that the use of the two words "Aetna" and "Auto", in combination, can no more be exclusively appropriated, or preempted, than could the single words themselves, unless employed in some fanciful manner.

Two recent cases, one decided by the Supreme Court of the State of Kentucky, and the other by the Supreme Court of the State of California, are referred to herein, on account of the close analogy of the particular trade names involved.

The first of these cases is that of the *Travelers Insurance Machine Co. v. The Travelers Insurance Co. of Hartford, Conn.*, 142 Ky. 523, 134 S. W. 877, and on rehearing 143

Ky. 216, 136 S. W. 154. In this case, the machine company was organized to manufacture automatic machines for the sale of accident insurance policies. The Travelers Insurance Company of Hartford sought to enjoin the machine company from using the name "Travelers Insurance" or the word "Travelers" in connection with the word "Insurance" as a part of its corporate name. The injunction was denied and the Court stated as follows:

"We hold that the term 'Travelers Insurance' is a generic term and that no one has a right to the exclusive use of it or may complain of its use by another so long as that use is not made to operate to the detriment of its competitor." (l. c. 880)

The other case is that of the *American Automobile Association, et al v. American Automobile Owners Association*, 216 Cal. 125, 13 Pac. (2d) 707. An injunction to prevent the defendant from doing business under its corporate name was denied:

"No claim is made as to the right of monopoly by reason of copyright, or trade mark, and the letters A.A.A., or as to the exclusive right of appellant to appropriate the words 'American Automobile', for the reason that these words are in common use and are regarded by the law as common property, which may be used by others in combination with other descriptive words, provided they are not used in combination with such other words or symbols or designs as to render it probable that they would mislead persons possessing ordinary powers of perception. Generic terms and words descriptive of place are not subject to exclusive appropriation." (l. c. 131)

The Circuit Court of Appeals, in the case at bar, did not restrict the use of the words in question to a secondary meaning, but in effect granted to respondent the exclusive

right to their use. Petitioner does not believe, however, that the law justifies, or sanctions, such withdrawal of these words, either singly or in combination, from general use by the public in connection with varied and miscellaneous kinds and types of business.

II.

Relief by a court of equity, on the ground of unfair competition, presupposes competition of some character either in resemblance of the products or services offered to the public or in the similarity of the respective classes of business.

The bill in this case states very definitely that respondent is unfairly competing with Complainant. The term "competition" has a well recognized meaning and is understood to include an effort or attempt on the part of two separate concerns to attract to themselves the same type, style and class of business, or stated in another way, to divert the customers from one concern to another. It is this manifest effort to reach and divert business that energizes the life of trade. Healthy competition is encouraged and the law only frowns on that competition that is unfair. In order to gain the protection of the courts, the owner of a vested property right in a trade name must, therefore, either allege and prove competition of some kind or nature or must allege and prove that his business or good name has been injured or threatened with injury by wilful and fraudulent practices and methods.

A case which exemplifies the competitive feature, in an extreme manner, is that of *Borden Ice Cream Co. et al. v. Borden's Condensed Milk Co.*, 201 F. 510 (C. C. A. 7). Injunctive relief prayed for by the Milk Company to restrain the use of the name "Borden" in the manufacture and sale

of ice cream was denied. The reasons therefor were stated by the court as follows :

“Non-exclusive trade names are public property in their primary sense, but they may in their secondary sense come to be understood as indicating the goods or business of a particular trader. Such trade names are acquired by adoption and user, and belong to the one who first used them and gave them value in a specific line of business. * * * In the absence of competition, the old company cannot assert the rights accruing from what has been designated as the secondary meaning of the word ‘Borden’. The phrase ‘unfair competition’ presupposes competition of some sort. In the absence of competition the doctrine cannot be invoked.” (l. c. 514)

This case has been widely quoted with approbation in some circuits and has been criticized in others. The reasoning of the case, however, is clear and logical and can easily be reconciled with the later decisions in other circuits that at first reading seemed to be divergent. It has been closely analyzed by the Court of Appeals for the Tenth Circuit in the case of *Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California*, 56 F. (2d) 973, and on the other hand has been quoted with approval in the case of *Joseph Schlitz Brewing Co. v. Houston Ice and Brewing Co., et al.*, 241 F. 817, which was later affirmed by this Court, 250 U. S. 28, 39 Sup. Ct. 401.

The principles of the *Borden* case have been affirmed by this Court in the leading case of *Beech-nut Packing Co. v. P. Lorillard Co.*, 273 U. S. 629, 47 Sup. Ct. 481, that sustained a decision of the Court of Appeals for the Third Circuit, 7 F. (2d) 967. In this case the Packing Company brought a suit in equity to enjoin the Tobacco Company from using the words “Beech-nut” on cigarettes and chewing tobacco. It appeared that the words “Beech-nut” had originally

been used by the Packing Company for the marketing and sale of hams and bacons and that later the same mark had been used in connection with other food products.

The hyphenated words used to designate the respective products presented an originality of descriptive quality difficult to equal. This fact made this case an outstanding exposition of the law on this subject. The matter was presented in all of its aspects to these two higher courts. We quote from the opinion of the Circuit Court of Appeals as follows:

“The reason why the same mark may be used by different persons when appropriated to different classes of goods is because its goods, being of different classes, do not come into competition with each other. *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510.

* * * * *

“The merchandise of the plaintiff and defendant belonged, therefore, to different classes. As the owner of a trade mark, both on authority and reason, may not be restrained from its use on goods of one class, notwithstanding the identical trade mark is used on goods of another class, we conclude that the defendant did not infringe plaintiff's trade mark, and so may not be restrained from using its trade mark on tobacco products.” (l. c. 970)

In the case at bar no element of competition is alleged, nor do the facts outside and beyond the bill show even the slightest resemblance to market or business competition. The bill specifically states that the respondent is authorized by its charter to engage in the “business of automobile liability, fire, theft, collision and property damage insurance.” So far as is shown by the evidence this is the only class of business in which the respondent is engaged or

authorized to engage. Petitioner, on the other hand, is engaged solely in the finance business, namely, the making of loans to individuals with automobiles as collateral security therefor.

These two classes of business are widely separated and in no sense pervade the same field. Insurance companies transact their business under special statutory enactments, are supervised by separate State regulatory commissions and are specifically prohibited from engaging in any branch of business that has the flavor of financial operations. On the other hand, finance companies, including banks, building and loan companies, and other corporations engaged in lending money, are required to incorporate under separate and distinct provisions and in general are under the direction of the banking and finance departments of the State.

Not only are the methods of operation of the two companies in question wholly different, but the customers or public to which they respectively appeal are entirely different. One company offers a service of insurance and the other a service of financial aid.

A few of the leading cases that reflect the distinction between market and class competition are herein referred to. In the case of *Del Monte Special Food Co. v. California Packing Corporation*, 34 F. (2d) 774, the defendant was engaged in the business of selling oleomargarine, while the Complainant, which sought to enjoin the use of the words "Del Monte" was engaged in selling other packaged foods for personal consumption, but did not in fact engage in the sale of oleomargarine. The Circuit Court of Appeals for the Ninth Circuit granted the injunction solely on the ground that the two corporations were engaged in the same class of business, namely, the marketing of food products.

Another case often cited is that of the *Yale Elec. Corporation v. Robertson, et al.*, 26 F. (2d) 972, (C. C. A. 2),

in which the Complainant used the term "Yale" on hardware products, but did not in fact sell or manufacture flash lights or batteries. The court issued the injunction on the ground that both classes of products were properly classified as hardware, and later modified the injunction so as to restrict the same to flash lights.

In the case of *Duro Co. v. Duro Co.*, 27 F. (2d) 339, (C. C. A. 3), the Complainant corporation was engaged in manufacturing and selling internal combustion engines not operated by electricity, while the respondent was engaged in the business of manufacturing and selling spark plugs. The court in that case issued an injunction on the same theory, namely, that both companies were engaged in the manufacture of products that were within the general class of mechanical contrivances.

In the case of *Akron-Overland Tire Co. v. Willys Overland Co.*, 273 F. 674, (C. C. A. 10), the Complainant corporation was engaged in the business of manufacturing and selling automobiles and automobile parts. The respondent corporation was in the business of retreading and renewing automobile tires. An injunction was granted under the announced rule that automobile tires fell within the same general trade classification as automobile and automobile accessories.

In the case of *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407 (C. C. A. 2), the Complainant was engaged in the marketing of a prepared pancake flour bearing the picture of a happy, smiling colored cook. The respondent endeavored to use a like picture and the name "Aunt Jemima" in connection with the manufacture and sale of syrups and sugar cream. The injunction was issued for the reason that purchasers of the respondent's merchandise would likely conclude that syrup was part and parcel of the food marketing business of the Complainant.

All these cases fall definitely into the same category,

namely, that of actual or threatened competition within the same class or characteristics of merchandise sold.

The facts in the instant case come directly within the reasoning of the *Beech-Nut* case. The sale of insurance is entirely different from the lending of money. The one is protection for a specified premium, the other a service to be compensated by the payment of interest. The line of demarcation between these two enterprises is as sharp and clear as could be found in connection with any other two divergent types of business.

III.

In absence of competition, there must be some element of unfairness, fraud or bad faith, to warrant injunctive relief.

This principle is clearly stated in the *Beech-Nut Packing Company* case, *supra*, in the Circuit Court of Appeals, 7 F. (2d) 967. We quote from this opinion as follows:

"We are aware, however, that equity may be invoked without market competition. Emphasis should be placed on the word 'unfair', rather than 'competition'. If by unfair and fraudulent means the plaintiff is injured and the public deceived, equity will enjoin, whether the injury comes through competition or in some other way. * * * Within the principles announced in these cases, or in any other way, has the defendant injured the plaintiff in its property or reputation? * * * (l. c. 970)

"The essence of the wrong in unfair competition consists in the sale of goods of one manufacturer or vendor for those of another, and, if defendant so conducts its business as not to palm off its goods as those of complainant, the action fails. *Howe Scale Company v. Wyckoff, Seamans and Benedict*, 198 U. S. 118, 25 S. Ct. 609." (l. c. 971)

A late case illustrating this point is that of the *Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of Cali-*

fornia, decided in 1932, by the Circuit Court of Appeals for the Tenth Circuit, which is reported in 56 F. (2d) 973. The Complainant was engaged in the distribution and sale but not in the production or manufacture of petroleum products.

The court granted the injunction, irrespective of the question of competition, only because there was a very evident design and intention, that was manifestly fraudulent, to obtain business at the expense of the Complainant corporation and its affiliates which was one of the well known Standard Oil group.

Petitioner in the case at bar was fully aware of the widespread use of the word "Aetna" in connection with countless and varied corporations and businesses. It had a perfect right to assume and believe that this name was public property so long as there was no design or intention to invade the particular field of business in which the respondent was engaged. The bill of respondent contains no allegation that petitioner was motivated by any unfair or fraudulent purposes; and the allegations as to its procedural methods do not indicate any tactics that could be classified as unfair or fraudulent.

The bill is not bottomed on the fact that petitioner and respondent are engaged in the same general class or field of business, but entirely on a theory new to the law, of a remote possibility of injury to reputation or credit through the use of the same word in two dissimilar corporate names.

IV.

In cases of unfair competition, intention or motive is not material if the acts complained of are lawful in themselves.

The Court of Appeals for the Fifth Circuit seems to have overlooked the fact that in a case where injunctive relief is prayed for on the ground of unfair competition, the

essential point to be determined is whether the acts then being undertaken were such as to cause actual damage or indicate a probability of substantial injury to the business or good will of the complaining party in the future. Under such circumstances, the court should be guided by what is being done at the time suit is instituted. If, on the other hand, relief is predicated on actions that had been definitely discontinued before suit, then relief is granted from a punitive standpoint rather than for the prevention of the continuance of an actual or threatened wrong. In line with this method of determination, motive is entirely irrelevant and a good intention would not excuse unlawful acts, nor would a bad intention make wrongful acts which are proper in themselves.

The Court of Appeals for the Sixth Circuit in the case of *Globe-Wernicke Co. v. Fred Macey Co.*, 119 F. 696, stated this rule very clearly:

“It is not alleged that the defendant represents to the public that its bookcases are of the complainant’s manufacture, but only that it makes bookcases and sections in the same sizes, styles, varieties of wood, and finish as the complainant’s and that by reason thereof the public are misled. The intention is not material, if the defendant has the right to do that which is complained of. On the other hand, if the thing done is wrongful, the lack of intention would not excuse. In either case, the motive is immaterial to any question involved in the present inquiry.” (l. c. 704)

To the same effect was the decision by the Supreme Court of California in the case of *American Automobile Association et al. v. American Automobile Owners Association, Inc.* *Banc, supra*.

“Appellants have argued that the evidence in the record would justify or compel a finding that the respondents had been prompted by a bad or evil intent

to design their emblems in the manner described. The Court has found that they did not deceive an ordinarily careful person, in the manner and form of the law. If that is so, the act is not unlawful. An uncompleted intent is not actionable. In civil law as well as in criminal law there must be a joint operation of act and intent to constitute an unlawful act. If the act is not unlawful, the intent would not make it so. Everyone who enters the field of competition desires and plans to draw customers from his competitors. Unless his acts are unlawful, his avarice is not actionable." (l. c. 142)

V.

In the absence of unlawful design or actual or threatened damage, injunctive relief will be withheld in cases of unfair competition even though the parties have corporate names that are almost identical and are engaged in similar lines of business.

This principle of law has been established by many decisions of various Courts of Appeal. In the case of *Continental Ins. Co. v. Continental Fire Assn.*, 101 F. 255, the Court of Appeals for the Fifth Circuit held that the Continental Insurance Company, a corporation of New York, did not have the exclusive right to the use of the word "Continental" in its corporate name and was not entitled to an injunction even though the respondent was also engaged in the insurance business, since there was no attempt to deceive the public as to the identity as to the two corporations.

This rule was followed in the case of the *Pulitzer Pub. Co. v. Houston Printing Co.*, 11 F. (2d) 834. In this case the St. Louis Post Dispatch sought an injunction against the Houston Post Dispatch. Injunctive relief was denied and the court stated as follows:

"The evidence adduced would not warrant the granting of relief on the ground of unfair competition. So

far as appears, Appellee did not intend or attempt to palm off its paper as that of the Appellant and such deception was not a natural and probable result of its conduct. The two papers are readily distinguishable as they do not resemble each other in type, get up or general appearance. The evidence adduced failed to prove wrongful conduct on the part of the Appellee or actual or probable deception of ordinary buyers of newspapers having the effect of bringing about purchases of Appellee's paper by persons desiring that of the Appellant. Relief on the ground of unfair competition cannot properly be awarded in the absence of proof of wrongful conduct and at least probable substantial injury therefrom to the business of the complainant parties" (l. c. 836).

This same question was presented in the case of *Fidelity Bond & Mortgage Co. v. Fidelity Bond & Mortgage Co. of Texas*, 37 F. (2d) 99. It was there held that a Missouri corporation was not entitled to injunctive relief against the use of the same name by a Texas Company that was engaged in exactly the same kind and type of business where no injury was shown to have been received by the complainant or any deception to the public, or any fraudulent intent on the part of the respondent.

A recent case decided by the Circuit Court of Appeals for the Third Circuit is likewise of interest in this connection. This is the case of *Bond Stores, Incorporated, v. Bond Stores, Inc.*, 104 F. (2d) 124. An injunction to restrain the respondent from the use of the word "Bond" as a part of the corporate title was denied even though it was shown that the complainant was engaged in the manufacture and sale, at retail, of wearing apparel, and that the respondent was engaged in the business of a cleaner, dyer, tailor, and repairer of wearing apparel.

To the same effect are the following cases:

Richmond Remedies Co. v. Miles Medical Co., 16 F. (2d) 598 (8 C. C. A.);

Certainfeed Products Corporation v. Philadelphia and Suburban Mortgage Guarantee Co., 49 F. (2d) 114 (3 C. C. A.);

Shaler Co. v. Rite-Way Products Co., 107 F. (2d) 82 (6 C. C. A.);

Schneider Brewing Co. v. Century Distilling Co., 107 F. (2d) 699 (10 C. C. A.);

Colburn v. Puritan Mills, Inc., 108 F. (2d) 377 (7 C. C. A.);

General Shoe Corporation v. Rosen, 111 F. (2d) 95.

In the case at bar respondent did not allege any wrongful conduct on the part of petitioner or any probable injury that might result from the operations of petitioner. The evidence produced by respondent signally failed to show anything of this nature and the Master so found.

VI.

The Federal Rules of Civil Procedure are violated by a disregard, without just cause, of findings of fact made by a special master.

The courts of the United States should follow without deviation the New Federal Rules of Civil Procedure when findings of fact by a Master or Trial Judge are involved. Rule 53 of such Federal Rules specifically provides that findings of fact shall not be set aside unless the same are clearly erroneous and that due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.

It is assumed in this connection that where a Special Master has been directed to hear and receive evidence in the cause, the rule as to credibility of witnesses should apply with equal force to such Master as in the case of a trial Judge because in such instances the Master is acting for the court. In the instant case the Court of Appeals for the

Fifth Circuit disregarded entirely the findings of fact by the Special Master and failed to give any weight whatsoever to them without, so far as appears, any justifiable cause or reason. The specific findings of fact among others that were disregarded are as follows:

“6. The public has not been confused or led to uncertainty by the similarity of Respondent’s corporate name to the Complainant’s corporate name.”

“7. There is no probability that the public will be confused or led to uncertainty by the similarity of the Respondent’s corporate name to the Complainant’s corporate name.”

“9. The Respondent’s corporate name was not adopted for the purpose of passing its business off as Complainant’s business or as one connected in any manner with Complainant.”

WHEREFORE, it is submitted that this petition for a writ of certiorari to review the decision of the Circuit Court of Appeals for the Fifth Circuit should be granted.

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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1941.

No. 975.

AETNA AUTO FINANCE, INC., a Corporation,
Petitioner,

vs.

AETNA CASUALTY & SURETY COMPANY, a Corporation,
Respondent.

RESPONDENT'S BRIEF

In Opposition to Petition for Writ of Certiorari to the
United States Circuit Court of Appeals
for the Fifth Circuit.

FRANK E. SPAIN,
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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1941.

No. 975.

AETNA AUTO FINANCE, INC., a Corporation,
Petitioner,

vs.

AETNA CASUALTY & SURETY COMPANY, a Corporation,
Respondent.

RESPONDENT'S BRIEF

**In Opposition to Petition for Writ of Certiorari to the
United States Circuit Court of Appeals
for the Fifth Circuit.**

To the Honorable Chief Justice and the Associate Justices
of the Supreme Court of the United States:

STATEMENT OF THE CASE.

This is a common-law action by Aetna Casualty and Surety Company, a corporation, to enjoin the Petitioner, Aetna Auto Finance, Inc., from unfairly competing with Respondent in the employment of the corporate name Aetna Auto Finance, Inc. (R. 1).

The gist of the complaint is that Petitioner, a newly-formed company loaning money to automobile owners and selling insurance on their cars to secure the loans, has chosen the name by which Respondent has for a long time been known, and has imitated its advertising, and is thereby leading these owners to think they are dealing with Respondent, in violation of the principle that a name and reputation, like a face, is the symbol of its possessor and creator and another can use it only as a mask.

More specifically, Respondent avers (a) that Petitioner is attempting to mislead the public into believing that it is affiliated, associated, connected with or backed by Respondent; (b) that Petitioner is attempting to pirate the good will and trade name of Respondent; that Respondent is entitled to be free from the possible danger to its reputation and credit which might result from the public confusion of the use of the name "Aetna" in connection with Petitioner's corporate name and business; (c) that the use of the name "Aetna" in connection with Petitioner's corporate name and business will lead the public to credit the Petitioner's business with an unwarranted financial reliability, and if upon such assumption an extension of credit eventually proves unfounded the name of the Respondent will be greatly damaged; and (d) that the use of the name by Petitioner will enable it to get the benefit of Respondent's reputation and its advertising, upon which it has expended hundreds of thousands of dollars; that the use of the name "Aetna" in connection with Petitioner's corporate name and business is attended with peril and danger to the Respondent (R. 5, 6).

Respondent is and has been for over thirty years one of several affiliated companies of Hartford, Connecticut, functionally different, as they are required to be by various state regulations (R. 41), but integrated through stock ownership and management (R. 38) into one nation-wide

(R. 31) insurance organization and equipped to insure all or any of the insurable hazards of the country (R. 32, 36).

Automobile risks of all sorts are insured in Respondent and its affiliated companies, viz., Automobile Insurance Company and Standard Fire Insurance Company, and third party liability was formerly, though it is not now (discontinued January 1, 1940 [R. 38]), insured in its affiliated Aetna Life Insurance Company. Respondent and Aetna Life Insurance Company primarily handle the liability features, the two other companies the property features. One automobile department handles all of the automobile business, into whichever of the companies it goes (R. 23).

At an annual cost of many hundred thousands of dollars, Respondent has built up an agency plant of more than 10,000 agents, producing a premium volume of more than \$35,000,000 a year, of which about \$12,000,000 is automobile premiums (R. 33). This enterprise is named "Aetna," the Latin word for Etna, a mountain of Sicily, and its business is built around the slogan "Aetna-Ize" and other similar slogans, including "Aetna Service Spans the Continent," "It Will Pay You To Be An Aetna-Izer," and "The Aetna Auto Plan."

From 1924 to 1935 (R. 70) Respondent spent \$2,247,000 in advertising, nearly one-third of which was devoted to the production of automobile business. It carried on a nation-wide safe driving test through co-operation with its local agents. During the four years ending in 1938 Respondent spent \$293,479 in Highway Safety Activities (R. 70). Throughout the years it has used no less than a score of different advertising media wherein the words "Aetna" and "Auto" are conjoined (R. 203), and this conjunction is emphasized throughout this advertising material by two overlapping discs (R. 10), on many of which, used in connection with automobile risks, an auto-

mobile is superimposed (R. 11). The various combinations of the words "Aetna" and "Auto" employed in Respondent's advertising used throughout the years are as follows: "Aetna Auto Companies," "Aetna-Auto Identification Card," "Aetna-Auto Agent," "Aetna-Auto Plan," "Aetna-Auto Service," "Aetna-Auto Attorney," "Aetna-Auto Policy," "Aetna-Auto Combination Insurance," "Aetna-Auto Liability Policy," "Aetna-Auto Property Damage Insurance," "Aetna-Auto Collision Insurance," "Aetna-Auto Fire & Theft Insurance," "Aetna-Auto Fire Premium," "Aetna-Auto Log Book," "Aetna-Auto Security," "Aetna Automobile Fleet Insurance," "Aetna Automobile Fleet Safety Engineers," "Aetna Automobile Fleet Owners," "Aetna Automobile Fleet Protection," "Aetna Automobile Service Card," "Aetna Automobile Service Certificate" and "Aetna Automobile Personal Accident Policy." (See original exhibits.)

Petitioner is an Alabama corporation with \$2,000 authorized capital stock organized in 1937 and is a subsidiary of Lewis Investment Company of Missouri whose other subsidiaries are "Aetna Auto" Finance of Kansas, "Aetna Auto" Finance of Georgia and Phoenix Finance Company of Arkansas. It employs the name "Aetna" prominently displayed. It employs a circular device approximately the same size and appearance as that employed by Respondent, upon which is imposed two automobiles and over which is written, in the same general type as that employed by Respondent, the word "Aetna" (R. 204). It advertised "A New Plan for Auto Loans"; referring in its advertising to "The National Program." It employed the slogans, "Deal With a Reputable Company With a National Reputation"; "Aetna Brings to Birmingham a New Plan for Automobile Loans"; "A National Institution Lending Money Exclusively on Motor Vehicles" (R. 26, 27, 204).

When the situation as to name and advertising was

called to Petitioner's attention (R. 26) the Petitioner agreed only to eliminate the words "National Institution" and the word "Aetna" standing alone. Actually it continued all the other slogans except that it dropped the words "A National Institution." It continued to display the word "Aetna" as the most prominent word in its advertising. In Petitioner's original advertising it stated, "Aetna Brings to Birmingham a New Plan for Automobile Loans" (R. 143, Ex. 12, part 2). In its new advertising it stated, "Aetna Auto Finance Has Brought to Birmingham a New Plan for Automobile Loans" (R. 144, Ex. 14, part 2).

Respondent's premium volume in Alabama alone for the year 1938 was \$224,595.86 (R. 82). It has fifty-five agents located in thirty different cities and towns in the state (R. 114). Each of these agents is engaged in writing insurance **on automobiles**. In the first two and one-half years of its existence Petitioner took 12,000 applications and made 4,400 loans **on automobiles** (R. 135). It required and placed insurance on every loan (R. 135, 136, 154).

Most of the evidence in this case was taken before a Commissioner at Hartford, Connecticut (R. 31-121); part of it before the Special Master, at Birmingham, Alabama (R. 121-157).

Respondent's Vice-President, Morcom, testified as to the probable confusion and danger attending the use of the name by Petitioner (R. 59, 60). Respondent's witness Sullivan (R. 86, 87, 88) gave testimony to like effect; also, Respondent's witness Chapin (R. 77); likewise, Petitioner's witness Edward I. Taylor (R. 102, 103). A number of instances of actual confusion were proven. Petitioner's witness Mrs. Louise Saunders received telephone calls (R. 141); its witness Threlkeld received inquiries (R. 141) as to the relationship between Petitioner and Respondent. Its manager A. M. Nystrom received inquiries as to the connection between Petitioner and Respondent or its affiliated

companies (R. 134). Respondent's witness Miss Dorothy Wynn received calls about automobile loans (R. 129). Miss Irma Barefield testified that one of her friends was confused by a letter she had received from Petitioner (R. 126). Miss Louise Emerson, an employee of the Aetna affiliated companies, testified that on one occasion, when she was riding in an automobile with a Mr. and Mrs. Suggs, these parties stated that they did not like her employer, because it had picked up an automobile on a loan (R. 127). Respondent's Birmingham manager, Mr. John W. Holmes, testified as to an inquiry he had from a preacher who wanted to know the relationship between the Petitioner and the Respondent. Mr. Holmes' own brother was confused as to the relationship (R. 122). Mr. Edward P. Coll, who was made a loan by Petitioner, testified that he was under the impression that Petitioner and Respondent were connected or affiliated companies. "I saw the name 'Aetna'; I just took it for granted they were the same" (R. 125).

Petitioner required an insurance policy with every loan. That was a part of their so-called "complete auto loan service" (R. 135).

BRIEF AND ARGUMENT.

Respondent respectfully submits that the opinion of the honorable Circuit Court of Appeals of the Fifth Circuit is sustained by the evidence and the law applicable thereto.

Petitioner has set up five alleged reasons why a writ of certiorari should issue. As briefly as possible Respondent will discuss these points seriatim:

1.

The decision of the Fifth Circuit is not in conflict with the decisions of this court and of the other Circuit Courts of Appeals as asserted in Petitioner's first alleged reason why a certiorari should issue.

The question here involved is one of unfair competition, rather than exclusive appropriation. Though a geographical name may not be capable of exclusive appropriation as a technical trade-mark, its wrongful use will be protected on the ground of unfair competition by an action at common law, relief not depending on principles applicable to strictly trade-mark cases.

Petitioner contends that the word "Aetna" has a geographical origin and cannot be exclusively appropriated. **The question here involved is one of unfair competition rather than of exclusive appropriation.** Petitioner is committing a wrong in the employment of Respondent's corporate name. It is true that a geographical name may not be capable of exclusive appropriation as a technical trade-mark. It is none the less true that where such a name is used in an arbitrary or fanciful way or has acquired a secondary meaning, such a name will be protected against unfair competition. The rule above referred to has been stated by the author of Corpus Juris as follows:

“* * * a geographical name not used in a geographical sense to denote place of origin, **but used in an arbitrary or fanciful way to indicate origin or ownership regardless of location**, may be sustained as a valid trade-mark. * * * Even though a geographical name may not be a valid trade-mark, **it will be protected against unfair competition.**” 63 C. J. 356.

“The cases are very numerous where relief has been afforded **on the ground of unfair competition** against a deceptive use of generic or descriptive names and marks, personal, **geographical**, corporate, and other names, **none of which are capable of exclusive appropriation as technical trade-marks.**” 63 C. J. 392.

The Alabama decisions are in line with the foregoing. The Supreme Court of Alabama in **Continental Paper & Bag Corporation v. Jacksonville Paper Co.**, 231 Ala. 400, 165 Sou. 216, after stating that there could be “no trade-mark exclusively reserved in a geographical name,” said:

“There are some exceptions or limitations of that rule, as where the name is applied without suggesting it as the place of production, **but arbitrarily or fancifully**, 26 R. C. L. 859, note (1); 45 L. Ed., note page 370, **and where the name has acquired a secondary meaning** and signifies a certain quality of goods, and as those of a particular manufacturer or producer so as to protect him who has used that name to the extent that it is associated with his business and is attempted to be used by another in such a way as to constitute a fraud. *Elgin Nat. Watch Co. v. Ill. Watch Co.*, 179 U. S. 665, 21 S. Ct. 270, 45 L. Ed. 365.” (Emphasis supplied.)

This is not a trade-mark case wherein prior use might be important and where exclusive appropriation is in most cases the determining factor. This is a bill for injunction to prevent unfair methods of competition in the use of Respondent's name.

Respondent's right to relief does not depend upon the various principles applicable to trade-mark cases. The remedy is that given by the common law.

In the case of **American Steel Foundries v. Robertson**, 70 L. Ed. 317, 269 U. S. 372, this court made the distinction between a trade-mark and trade name case, saying:

"To some extent the two terms overlap, but there is a difference more or less definitely recognized, which is, that, generally speaking, the former is applicable to the vendible commodity to which it is affixed, the latter to a business and its good will. See **Ball v. Broadway Bazaar**, 194 N. Y. 429, 434, 435, 87 N. E. 674. A corporate name seems to fall more appropriately into the latter class. * * * The effect of assuming a corporate name by a corporation under the law of its creation is to exclusively appropriate that name. It is an element of the corporation's existence. **Newby v. Oregon C. R. Co.**, **Deady**, 609, 616, Fed. Cas. No. 10, 144. And as Judge Deady said in that case:

"Any act which produces confusion or uncertainty concerning this name is well calculated to injuriously affect the identity and business of a corporation. And, as a matter of fact, in some degree at least, the natural and necessary consequence of the wrongful appropriation of a corporate name is to injure the business and rights of the corporation by destroying or confusing its identity.'" (Emphasis supplied.)

Recently, in **Armstrong Paint & Varnish Works v. Nu-Enamel Corp.**, 83 L. Ed. 195, 305 U. S. 315, it was said:

"Here we have a secondary meaning to the descriptive term 'Nu-Enamel.' This establishes, entirely apart from any trade-mark act, the common-law right of the Nu-Enamel Corporation to be free from the competitive use of these words as a trade-mark or trade name. * * *

"The rights of Nu-Enamel Corporation to be free of the competitive use of 'Nu-Enamel' may be vindicated,

also, through the challenge of unfair competition, as set out in the bill. The remedy for unfair competition is that given by the common law." (Emphasis supplied.)

Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co., 128 U. S. 598, 32 L. Ed. 535, cited by Petitioner, is not here in point. In that case the court said:

" 'Goodyear Rubber' are terms descriptive of well known classes of goods produced by the process known as Goodyear's invention. Names which are thus descriptive of a class of goods cannot be exclusively appropriated by anyone. The addition of the word 'Company' only indicates that parties have formed an association or partnership to deal in such goods, either to produce or to sell them."

The court stated that the case could not be sustained as one to restrain unfair trade as there was no proof of any such unfairness:

"but on the contrary, the record shows a persistent effort on its part to call the attention of the public to its own manufactured goods, and the places where they are to be had, and that it had no connection with the plaintiff."

In the present case the record establishes without conflict that there is not only the probability of confusion, but positive instances of actual confusion.

The case of **Columbia Mill Co. v. Wm. W. Alcorn**, 150 U. S. 460, 37 L. Ed. 1144, was a bill to restrain the use of the word "Columbia" in a brand placed on flour sold by the defendant. Upon pleadings and proofs the court below held that the complainant had not established its exclusive right to the use of the word "Columbia" in a brand for flour. In affirming the lower court, this court said:

“* * * and the proof fails to establish that the brand of the appellees was calculated to mislead, or did actually deceive or mislead, anyone into supposing that the flour of the complainant was being bought. So it cannot be said that the defendants were personating the complainant's business by using such a description or brand as to lead customers to suppose that they were trading with the appellant.”

The Petitioner also cites the case of **American Steel Foundries v. Robertson**, above referred to. This was an application to register the name “Simplex” as a trademark. The application was denied, but the court specifically recognized the right to enjoin the misuse of a corporate name on the grounds of unfair competition, and on this aspect the case is cited as authority by the Fifth Circuit as sustaining the right to relief here involved (R. 207).

In the **Robertson** case the court recognized that:

“There may be, of course, instances where a single word in the corporate name has become so identified with the particular corporation that whenever used it designates to the mind of the public that particular corporation.”

Pabst Brewing Co. v. Decatur Brewing Co., 284 Fed. 110 (7 C. C. A.), is also cited. There is no conflict between the present case and that case, which involved the use of the brand “Blue Ribbon.” This case does not involve the use of a label.

It might be observed that this case has been criticized, distinguished and explained in more than a dozen Federal court cases. (For example: **Anheuser-Busch v. Budweiser Malt Products Corp.**, 295 Fed. 306 [2 C. C. A].)

Not only did the Petitioner adopt the name “Aetna” and couple it with the name “Auto,” but it proceeded to

advertise its business in a way that was bound to lead to confusion, to the injury and damage of the Respondent, all of which is amply supported by the evidence.

2.

The decision of the Fifth Circuit is not in conflict with the decisions of the other circuits, as contended in Petitioner's second alleged reason.

Though actual market competition is here established, such competition is not a prerequisite to relief under the modern cases.

Modern cases, whether relating to technical trademarks or the unfair appropriation of a corporate name, do not require actual market competition as a prerequisite to relief.

"It is now held that the doctrine of unfair competition is not confined to cases of actual market competition between similar products of the parties * * *. A person is entitled to be free from the possible danger to its reputation and credit which would result by the public's confusion of the identity of the persons." 63 C. J. 390-1.

A clear recognition of the above rule is found in the case of **Standard Oil Co. of New Mexico v. Standard Oil Co. of California**, 56 F. (2d) 973 (10 C. C. A.).

"There was a time in the history of the law of unfair competition when it was a debatable question whether a merchant's good-will indicated by his trade name or trade-mark extended beyond such goods as he sold (**Yale Elec. Corp. v. Robertson** [2 C. C. A.], 26 F. [2d] 972-973), but it is now well settled that the law of unfair competition is not confined to cases of actual market competition." (Emphasis supplied.)

In the case of **Akron-Overland Tire Co. v. Willys-Overland Co.**, 273 Fed. 674 (3 C. C. A.), the Court enjoined the Akron-Overland Tire Company from using the word "Overland" in connection with its business of retreading automobile tires and in the sale of its stock and securities at the instance of the Willys-Overland Company, who was engaged solely in the business of manufacturing automobiles.

If retreading tires and manufacturing automobiles are "both" concerned with some phase of the automobile business, how much more true is this in the case of insuring automobiles and lending money thereon, especially when insurance is sold with every loan made!

In the case of **Wall v. Rolls-Royce of America, Inc.**, 4 F. (2d) 333 (3 C. C. A.), the Court enjoined the use of the name "Rolls-Royce Tube Company," which name was employed by the defendant in conducting a mail-order business for the sale of radio tubes. The plaintiff, Rolls-Royce of America, was the American subsidiary of the British company and was engaged in the manufacture of automobiles and aeroplanes.

"In addition to what has been said, it is quite possible that the use of such a name might lead third parties to credit the plaintiff's business, on account of its name of 'Rolls-Royce,' with an unwarranted financial reliability, and if such assumptions eventually prove unfounded the name of 'Rolls-Royce' would suffer accordingly."

Another leading case is that of **Aunt Jemima Mills Co. v. Rigney & Co.**, 247 Fed. 407 (2 C. C. A.). This case did not involve unfair competition as to a corporate name but did involve the use of a trade name and symbol. The defendant was denied the use of the trade name and symbol in connection with syrup and sugar cream. The plaintiff

had employed the name and symbol in connection with its flour. In the course of its opinion the Court used the following language:

“In this way, the complainant’s reputation is put in the hands of the defendants. It will enable them to get the benefit of the complainant’s reputation and advertisement. These we think are property rights which should be protected in equity.” (Emphasis supplied.)

Another much cited case is that of **Vogue Company v. Thompson-Hudson Co.**, 300 Fed. 509 (6 C. C. A.). In that case the complainant used the word “Vogue” and the letter “V” in connection with the magazine which it published. This magazine dealt with styles in women’s wear, including millinery, and the defendant adopted the name “Vogue Hats” in connection with the letter “V.”

“This rule is usually invoked when there is an actual market competition between the analogous products of the plaintiff and the defendants, and so it has been natural enough to speak of it as the doctrine of unfair competition; but there is no fetish in the word ‘competition.’ The invocation of equity rests more vitally upon the unfairness.”

In the trade-mark case of **Yale Electric Corp. v. Robertson**, 26 F. (2d) 972 (2 C. C. A.), the Court ruled that a defendant could not use the word “Yale” in connection with its flashlights and batteries in view of the objection of the Yale & Towne Manufacturing Company, who had employed the name “Yale” on many kinds of hardware, especially on locks and keys. The Court in rendering its opinion said:

“It has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a Court. **His mark**

is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask."

In the case of **Del Monte Special Food Co. v. California Packing Corporation**, 34 F. (2d) 774 (9 C. C. A.), the complainant sold various food products under the trade-mark "Del Monte." It did not manufacture or sell oleomargarine. The court enjoined the defendant from using the words "Del Monte Brand" in connection with its oleomargarine.

In **R. H. Macy & Co. v. Colorado Clothing Mfg. Co.**, 68 F. (2d) 690 (10 C. C. A.), the Macy Company, a large New York department store, successfully enjoined the defendant, a Colorado corporation, from employing the name "Macy Tailoring System of America" in connection with its tailoring business.

The case of **Western Auto Supply Co. v. Knox**, 93 F. (2d) 850 (10 C. C. A.), is also expressive of the modern trend of the decisions. In that case it was said:

"A merchant has a sufficient economic interest in his trade name to restrain another from exploiting it in the sale of his merchandise, **even though the two are not engaged in the manufacture or distribution of identical or like products.** Standard Oil Co. of New Mexico v. Standard Oil Co. of California, *supra*; Yale Electric Corp. v. Robertson, *supra*; Wisconsin Electric Co. v. Dumore Co. (6 C. C. A.), 35 F. (2d) 555; Horlick's Malted Milk Corp. v. Horluck's, Inc. (9 C. C. A.), 59 F. (2d) 13; Phillips v. Colorado Nat. Bank, 95 Colo. 386, 36 Pac. (2d) 454; Churchill Downs Distilling Co. v. Churchill Downs, Inc., 262 Ky. 567, 90 S. W. (2d) 1041."

In the case of **Duro Company v. Duro Company**, 27 F. (2d) 339 (3 C. C. A.), the court granted an injunction at the instance of a corporation that had built up a large business in internal combustion engines, using the name "Duro" as its trade-mark, against the manufacturer of a spark plug using the same name to designate its spark plugs.

In **Buckspan v. Governor and Company of Adventurers of England Trading into Hudson's Bay**, 22 F. (2d) 721 (5 C. C. A.), appellee was an English corporation, a dealer in raw furs. It had no place of business in the United States and sold its furs at an auction conducted in London. It had no customers in Dallas and did not advertise its auction in Dallas. Appellant adopted the name of "Hudson Bay Fur Company of Texas, Independent," and was engaged in the selling of manufactured furs. There was no competition between the two. It was purely a question of the appellant trying to trade on the established name and reputation of appellee. The court, in decreeing relief, said:

"In the absence of any plausible explanation of the appellant's adoption of a name so similar to that by which appellee was commonly known in Dallas, as elsewhere throughout the English-speaking part of the world, it may be inferred that the reason for so imitating appellee's name was to secure the advantages which would result from a supposed connection with a historically famous collector of and trader in furs."

To the same effect are the cases of **Vick Medicine Co. v. Vick Chemical Co.**, 11 F. (2d) 33 (5 C. C. A.), and **Indian Territory Oil and Gas Company v. Indian Territory Illuminating Oil Co.**, 95 F. (2d) 11 (10 C. C. A.).

The district courts are in line with the modern trend of decisions announced in the above cases.

Armour & Co. v. Master Tire & Rubber Co., 34 F. (2d) 201 (D. C. Ohio), is a case very much in point. In that case Armour & Company, though engaged primarily in the preparation of meats for consumption, manufactured glue, ammonia, sandpaper, soap, and so on, used by motorists, and in the manufacture of automobiles. The defendant adopted the name "Armour Tire & Rubber Company" and was doing a mail order business in automobile tires and other rubber goods. The defendant company was enjoined. In rendering its opinion the court made the following significant pronouncement:

"The inescapable conclusion, drawn from the tenor of the entire record, is that the use of the word 'Armour' in the corporate name of the selling company, and as a brand and trade name to the product, was selected for the purpose of taking advantage of the business reputation of the plaintiff company. * * * Fraud, or the attempt at fraud, is discernible as the underlying and appealing conclusion."

In the case of **Alfred Dunhill of London v. Dunhill Shirt Shops**, 3 F. Sup. 487 (Dist. Ct. of N. Y.), it was held that a corporation selling smokers' supplies, using the name of "Dunhill" was entitled to an injunction against the use of the word "Dunhill" in the name of a corporation selling shirts, District Judge Cox saying:

"The only conceivable reason for the use of the name 'Dunhill' by the defendant is to trade on the reputation and good will of the plaintiff. * * * It is no answer that the defendant sells shirts, and the plaintiff, smokers' supplies."

In the case of the **Great Atlantic & Pacific Tea Co. v. A. & P. Radio Stores, Inc.**, 20 F. Sup. 703 (Dist. Ct. of Pa.), the plaintiff sought to restrain the defendant from using its trade name "A & P" in connection with its business of selling radios, washing machines and electric refriger-

ators, none of which articles were sold by the plaintiff. The court, in holding that plaintiff was entitled to relief, said:

“I am satisfied that in the present case defendant’s name was chosen with an eye to the value of the letters ‘A & P’ as the plaintiff’s trade name because of the widespread acquaintance of the buying public with them as such. It undoubtedly hoped to appropriate some of that value to itself. This was an unfair interference with the plaintiff’s trade name, and it is clear under the cases to which I have referred that the court has authority to enjoin it. It is equally clear that the granting of relief need not be conditioned upon the showing of actual deception of the public.”

In **Great Atlantic & Pacific Tea Co. v. A. & P. Cleaners & Dyers**, 10 F. Supp. 450 (Dist. Ct. of Pa.), the court enjoined the use of the name “A. & P.” by the defendant, who was engaged in the cleaning and dyeing business.

To the same effect are **Finchley, Inc., v. Finchley Company, Inc.**, 40 F. (2d) 726 (Dist. Ct. of Md.); **Uproar Company v. National Broadcasting Company**, 8 F. Supp. 358 (Dist. Ct. of Mass.), and **Premier-Pabst Brewing Co. v. Elm City Brewing Co.**, 9 F. Supp. 754 (Dist. Ct. of Conn.).

The state court decisions are also in line with those of the Federal Courts.

In **Churchill Downs Distilling Co. v. Churchill Downs, Inc.**, 90 S. W. (2d) 1041 (Dist. Ct. of Ky.), the Court of Appeals of Kentucky held that the plaintiff Churchill Downs, Inc., operators of a race track at Louisville, was entitled to enjoin Churchill Downs Distilling Co. from using the words “Churchill Downs” as a part of its corporate name in its distilling business. The court also held that Churchill Downs, Inc., was entitled to restrain Churchill Downs Distilling Company from using certain

pictorial advertisements in the sale of their liquors. The court said:

“But the tendency of the courts has been and is to widen the scope of protection in unfair competition, and to hold that it is not confined to actual market competition. This turn of the decisions is exemplified by the cases of *Standard Oil Co. of New Mexico, Inc., v. Standard Oil Co. of California (C. C. A.)*, 56 F. (2d) 973, 977; *Colorado Nat. Co. v. Colorado Nat. Bank of Denver, supra*; *Wisconsin Elec. Co. v. Dumore Co. (C. C. A.)*, 35 F. (2d) 555.”

In *Tiffany & Co. v. Tiffany Productions, Inc.*, 260 N. Y. S. 821, it was held that Tiffany & Co., jewelers, were entitled to enjoin Tiffany Productions, Inc., moving picture producers, from using the word “Tiffany” in the latter’s name or advertisements. The facts in the above case are reviewed at length in *Tiffany & Co. v. Tiffany Productions, Inc.*, 264 N. Y. S. 459, and affirmed 188 N. E. 30. In the course of the latter opinion it was said:

“In recent years the federal courts as well as those of this state have enjoined such use of another’s name, irrespective of whether there was actual competition between the parties. *Long’s Hat Stores Corp. v. Long’s Clothes, Inc.*, 224 App. Div. 497, 231 N. Y. S. 107; *Armour & Co. v. Master Tire & Rubber Co. et al. (D. C.)*, 34 F. (2d) 201; *Yale Electric Corp. v. Robertson (C. C. A.)*, 26 F. (2d) 972; *Alfred Dunhill of London, Inc., v. Dunhill’s Shirt Shop, Inc. (U. S. D. C., S. D., N. Y.)*, 3 F. Supp. 487, opinion by Coxe, J., rendered December 30, 1929.”

In *New York World’s Fair 1939, Inc., v. World’s Fair News, Inc., et al.*, 297 N. Y. S. 923, the corporation organized to organize the World’s Fair was granted an injunction against the defendant, who was using the words “World’s Fair” in the name of its magazine, “World’s Fair News.”

In **Hugo Stein Cloak Co. v. S. B. Stein & Sons, Inc.**, 16 N. E. (2d) 609 (Ohio Appeals), the court held that the former concern, a clothing company, was entitled to enjoin the latter concern, a jewelry company, from using the name "Stein."

The English cases are likewise in line with the modern trend of authorities.

In **Eastman Company v. Kodak Cycle Co.**, 15 Rep. Patent Cases 105, the plaintiff was the manufacturer of cameras under the name of "Kodak." The defendant, under the name of Kodak Cycle Company, began the manufacture of bicycles. The defendant was denied the use of the word "Kodak."

In **Dunlop Pneumatic Tire Co. v. Dunlop Lubricant Co.**, 16 Rep. Patent Cases 12, the plaintiff used the word "Dunlop" in connection with bicycle tires, rims and pumps. The defendant began business under the name of Dunlop Lubricant Company and dealt in oils and lubricants for bicycles. Complainant had never dealt in oils or lubricants. The court held that the use of the word "Dunlop" was deceptive, and was enjoined.

In the case of **Walter v. Ashton**, 2 Chan. Div. 282, plaintiff was the proprietor of "The Times," a newspaper. This was a case in which "The Times," a newspaper corporation, enjoined the defendant from selling bicycles under the name of "Times Bicycles."

It is respectfully submitted that this decision, based on the record before this court, is in line with the decisions of this court, of the other circuits, of the lower Federal courts, and with the decisions generally.

Borden Ice Cream Co. v. Borden Condensed Milk Co., 201 Fed. 510 (7 C. C. A.), in the light of this record is not in point and is not in conflict with this decision. Further-

more, this case has been criticized in a number of cases as not expressing the modern rule. Typical of these cases is **Standard Oil Co. of New Mexico v. Standard Oil Co. of California**, *supra*, wherein it was said:

“Recent well-considered cases upon the law of unfair competition have expanded the narrow rule announced in the Borden case to an extent that leads us to conclude that the Borden case is out of harmony with the modern law of unfair competition.”

The case of **Beechnut Packing Co. v. P. Lorillard Co.**, 273 U. S. 629, 47 S. Ct. 481, 71 L. Ed. 810, also cited by Petitioner, was apparently decided in this court as a trademark case, although in the Circuit Court the issue of unfair competition was considered. This court held that a delay of six years in attacking the form in which the mark was used barred relief. The Circuit Court, 7 F. (2d) 967, clearly recognized that relief would be granted in a proper case without market competition, saying:

“We are aware, however, that equity may be invoked without market competition. Emphasis should be placed on the word ‘unfair,’ rather than ‘competition.’ If by unfair and fraudulent means the plaintiff is injured and the public deceived, equity will enjoin, whether the injury comes through competition or in some other way. *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 159 C. C. A. 461, L. R. A. 1918C 1039; *Vogue Co. v. Thompson-Hudson Co.* (C. C. A.), 300 F. 509, 512.”

Though market competition between Petitioner and Respondent is not essential to injunctive relief against the misuse of the latter's name, the evidence establishes the existence of such competition. During the first two and a half years of Petitioner's existence it made 4,400 loans (R. 135), and according to the testimony of its manager, Nystrom, insurance was required on every loan. This in-

surance was written through the Gradaman Agency of Chicago, Illinois (R. 135), the policies being signed in Atlanta, Georgia (R. 36). Witness Coll stated that they required him to take insurance on the loan that he made (R. 125).

It will be observed that the Circuit Court in adverting to this phase of the case said:

“It might not take any automobile insurance away and still not escape the charge of unfair competition. But, as a matter of fact, its activities which always couple the giving of insurance with the giving of loans, will necessarily take some business away from plaintiff” (R. 206).

3.

The third alleged reason assigned for the granting of the writ is that the Fifth Circuit has rendered a decision to the effect that alleged improper motives or intentions are sufficient to warrant injunctive relief, and in this regard the decision is in conflict with that of another circuit.

Improper motive need not be shown. Same, however, is a valuable index to unfair competition.

It is respectfully submitted that the Circuit Court does not hold that improper motive or intention alone is the basis of its opinion. This is just one of the several grounds entitling Respondent to relief. The mere fact that the Respondent does not have to show intention to entitle it to relief does not mean that improper motive or intention has no bearing on the issues involved.

In **Moeibus v. Louis De Jonge & Company**, 215 Fed. 443 (Dist. Ct. of N. Y.), the court referred to motive as “a valuable index to” unfair competition. Petitioner itself considered the question of motive and intention as being of some moment, attested by the showing of its witness, Lewis (R. 153), as to the manner in which Petitioner selected its

present name (R. 156). By this showing Petitioner attempted to demonstrate its innocence in the selection of its name, as though the name came to its officers "as a bolt from the blue," notwithstanding the fact that Petitioner's witness, Nystrom, testified that the name "Aetna Auto Finance" had already been applied to the Kansas corporation organized by Lewis Investment Company (R. 135). The Sixth Circuit case of **Globe-Wernicke Co. v. Macey Company**, 119 Fed. 697 (decided November 5, 1902), has no bearing upon the proposition presented, particularly when taken in the light of modern authorities dealing with the subject of unfair competition relating to trade names.

4.

The fourth alleged reason assigned for the granting of the writ is that the Fifth Circuit has decided an important question of local law in a way probably in conflict with applicable local decisions.

Under the modern decisions, and particularly those of Alabama, it is not necessary in a bill for injunction only to allege or prove actual fraud or intent to defraud, or that any persons have been actually deceived. Relief will be granted if the use of the name tends to or will probably cause confusion, resulting in probable loss or damage.

It is observed that Petitioner employs the word "probably." Actually a review of the Alabama decisions reveals that the opinion is in line with these decisions. Title 10, Section 2, of the Alabama Code of 1940, provides that:

"No name shall be assumed which is identical with that of any corporation already existing in this state, or so nearly similar thereto as to lead to confusion and uncertainty." (Emphasis supplied.)

In construing this section, in **White v. Citizens Light & Power Co.**, 172 Ala. 232, 55 Sou. 193, the Alabama Supreme Court said:

"The provision was evidently intended to protect existing corporations from an interference with their name or business, and an injured one would no doubt have the right to enjoin the use of the name by the new corporation." (Emphasis supplied.)

In the case of **Grand Lodge Knights of Pythias of North and South America v. Grand Lodge Knights of Pythias**, 174 Ala. 395, 56 Sou. 963, in which a white fraternal organization successfully enjoined a colored fraternal organization, though not competitors, the Supreme Court said:

"But our statutes prevent, or are intended to prevent, the use of the name of one corporation by another, or the use of a name so similar to that of the prior corporation as to tend to confusion * * *"

"It is not necessary to allege or prove actual fraud on the part of the corporation which assumes the name of another, but, if such fraud be necessary to relief, in a case like the one under consideration, it may be presumed from knowingly adopting the name of another corporation, or a name so similar as to cause actual or probable loss or damages to the other." (Emphasis supplied.)

In the case of **G. B. McVay & Son Seed Co., Inc., v. McVay Seed & Floral Co., Inc.**, 201 Ala. 644, 79 Sou. 116, there was a bill to enjoin the use of the name "McVay" as a part of the corporate name of the respondent. In the course of its opinion the court said:

"* * * the better view is that actual fraud in unfair competition need not be alleged or proved, and that constructive fraud is sufficient, and this is the rule in this state. Grand Lodge K. P. of N. & S. America v. Grand Lodge K. P., 174 Ala. 395, 56 Sou. 963; Bos-

ton Shoe Shop v. McBroom Shoe Shop, 196 Ala. 262, 72 Sou. 102. **Nor is it necessary to show, in a bill for injunctive relief only, that any persons have been actually deceived.** Boston Shoe Shop v. McBroom Shoe Shop, 196 Ala. 262, 72 Sou. 102.” (Emphasis supplied.)

It is noted that it is stated that in a bill “for injunctive relief only” it is not necessary to show that any person has been actually deceived. Consequently, it is not necessary to show actual damages. No actual damages are prayed for in this case. The bill is one “for injunctive relief only.”

In **Boston Shoe Shop v. McBroom Shoe Shop**, 196 Ala. 262, 72 Sou. 102, the Supreme Court of Alabama said:

“The bill does not charge in terms that the imitation of complainant’s device was designed or fraudulent. But while design is significant, and may be in many cases of controlling importance, **neither design nor actual fraud in such an imitation is a necessary element of the right to relief * * ***

“Nor is it necessary to show, in a bill for injunction merely, **that any persons have been actually deceived.** 38 Cyc 773, and cases cited.” (Emphasis supplied.)

In the case of **N. L. Pierce Nat. Detective Agency v. Pierce Detective Agency**, 217 Ala. 594, 117 Sou. 191, we note the following:

“* * * **An actual intent to defraud need not appear * * ***

“However, under our statute, a corporate name should not be taken so nearly similar to that of an existing corporation **as to lead to confusion and uncertainty. This statute qualifies in some measure the prevailing rule in the absence of statute.**” (Emphasis supplied.)

It will be observed that the court stated that the statute “qualifies in some measure the prevailing rule in the absence of statute.”

Title 10, Sec. 2, Code 1940, prohibits a corporation from adopting a name so nearly similar to that of another corporation "as to lead to confusion and uncertainty," or "to tend to confusion." **Grand Lodge v. Grand Lodge**, *supra*. "It is not necessary to allege or prove actual fraud * * * it may be presumed from knowingly adopting * * * a name so similar as to cause actual or probable loss or damage," *Id.*; and where injunctive relief **only** is prayed for, it is unnecessary to show "that any persons have been actually deceived." Petitioner **knew** what it was doing when it adopted the name "Aetna." It had already organized the Aetna Auto Finance of Kansas (R. 135). It knew that the word "Aetna" had long been associated with Respondent and had been used by it in an "arbitrary or fanciful way" and that it had acquired "a secondary meaning" of great value, and that its possessor had multiplied thousands of agents and offices in every hamlet in this broad land; and, further, that the name had been used and advertised throughout the nation for many years by this Respondent in more than a score of different combinations with the word "Auto."

Clearly, the object of the statute, in the light of these Alabama decisions, was to prevent the very confusion that has arisen in this case and established by the undisputed evidence.

It is also observed from the Alabama cases above cited and quoted from that the Alabama decisions in line with the law generally [*Moeibus v. Louis De Jonge & Co.*, *supra*; *Wolf Bros. & Co. v. Hamilton-Brown Shoe Co.*, 206 Fed. 611 (8 C. C. A.); *Churchill Downs Distilling Co. v. Churchill Downs, Inc.*, 90 S. W. (2d) 1041 (Ky.)] hold that it is not necessary to allege or prove actual fraud or fraudulent intent. Where there is doubt as to the probability of confusion and deception it is the duty of the court to resolve the doubt against the newcomer.

In **Yale Electric Corp. v. Robertson**, 21 F. (2d) 467 (Conn. Dist. Ct.), affirmed 26 F. (2d) 972, it is said:

“And if it be found that there is doubt as to whether such confusion will exist, it is the duty of the court to resolve that doubt against the newcomer in the field. **Waltke & Co. v. Schafer & Co.**, 49 App. D. C. 254, 263 Fed. 650.”

In **Standard Oil Company v. Michie**, 34 F. (2d) 802 (Dist. Ct. of Mo.):

“Even if there shall exist a doubt, that doubt will be resolved against him who is last in the field. **Postum Cereal Co. v. Farmers' etc. Assn.**, supra. Not only is actual confusion banned by the rule, but probability from the facts that such confusion will occur, that is to say, are the facts shown in evidence calculated to produce confusion?”

In **Lowney v. Chandler & Rudd Co.**, 12 F. (2d) 189 (Court of Appeals, Dist. of Columbia):

“Before the bar of confusion can be avoided, where a descriptive word common to both marks is used, there must be such a wide distinction between the dissimilar words **as to prevent any possibility of confusion** in the use of the marks.” (Emphasis supplied.)

It will likewise be observed that under the Alabama decisions the graveman does not consist of “actual or threatened damages” to the complainant.

The Circuit Court, in its opinion (R. 206), states that its cases (**Continental Ins. Co. v. Continental Fire Assn.**, 101 Fed. 255; **Pulitzer Pub. Co. v. Houston Printing Co.**, 11 F. [2d] 834, and **Fidelity Bond & Mortgage Co. v. Fidelity Bond & Mortgage Co.**, 37 F. [2d] 99), cited by Petitioner, do not support Petitioner's position. We submit that the Circuit Court is the best judge of its own decisions. The case of **Bond Stores, Inc., v. Bond Stores**, 104 F. (2d) 124,

in its declaration of the law, supports Respondent. In that case the court refers to similar practices, as those engaged in by the Petitioner, as "both the filching of the good name and obtaining unearned benefits." The defendant in that case expressed a willingness to change its name. Here, within a few months after Petitioner was organized, Respondent requested Petitioner to change its name so as to avoid confusion (R. 26, 27). Respondent refused to do this (R. 28). The case of **Richmond Remedies Co. v. Dr. Miles Medical Co.**, 16 F. (2d) 598 (8 C. C. A.), involved the use of the trade-mark "Nervine." The court expressly recognized the principle that the unfair use of a trade name would be restrained in a proper case. In **Certain-Teed Products Corp. v. Philadelphia & Suburban Mort. Guaranty Co.**, 49 F. (2d) 114 (3 C. C. A.), the court stated there was

"No similarity or simulation of product * * *. No fraud, deception, or confusion in the minds of the public is shown or threatened."

Shaler v. Rite-Way Products, 107 F. (2d) 82 (6 C. C. A.), also cited, is not contrary to, but in line with, the decision of this case. **Schneider Brewing Co. v. Century Distilling Co.**, 106 F. (2d) 699 (10 C. C. A.), involved the use of a label. The court held there was no similarity and no possibility of deceit. **Colburn v. Puritan Mills, Inc.**, 108 F. (2d) 377 (7 C. C. A.), was a trade-mark infringement suit, involving the trade-marks "PY-DO" and "PY-O-MY." The court held that it was convinced that the defendant's use of the latter name was not deceptive and would not confuse prospective buyers. **General Shoe Corp. v. Rosen**, 111 F. (2d) 95 (4 C. C. A.), in its application of the law, is not contrary to, but supports, the opinion involved.

5.

The fifth alleged reason why a certiorari should be granted is that the finding of the Special Master should have been upheld by the Circuit Court.

The finding of the Special Master was clearly erroneous. Most of the evidence consisted of advertising matter, documents and depositions which were before the Circuit Court as well as the Special Master. The Circuit Court decision is correct and the writ should not issue.

It is submitted that the finding of the Special Master denying relief is clearly erroneous and that the Circuit Court decision is the proper one and should not be disturbed.

The Special Master arrived at his final judgment of exculpation by a refined process of whittling away on the stick until finally it was all gone. He held that the law of trade names was broader than that of trade-marks, and then applied the narrower trade-mark law to this trade name case. He held that Respondent has established a secondary meaning for the word "Aetna" and thereby a prior right to its use, and then nullified his holding by limiting the priority to the field of insurance, in which he found Petitioner was not engaged, notwithstanding the evidence showed that insurance is part of every loan Petitioner makes. He ruled that market competition need not be proven, and proceeded to find that Respondent and Petitioner were not competitors, when Petitioner's own officers showed that they were. He stated that intention to deceive was not necessary to be shown in order to recover, and held the evidence was convincing that there was no such intent, not even when the fledgling \$2,000 corporation advertised itself to be a national institution, which by its own admission it was not. He held that actual deception

need not be shown, and then exculpated Petitioner from admitted deception. He found that probability of deception was of the essence, and closed his eyes to the probability—nay, even the actuality—of deception testified to by Petitioner's own manager, telephone operator and cashier. He admitted that many cases may be found in which relief has been granted where the apparent similarity of the businesses involved was slight, and decreed that this case was not one for relief in the very teeth of the evidence that the similarity—nay, the identity—could not be denied.
(R. 163-167)

Furthermore, a large part of the evidence was taken before a Commissioner in Hartford, Connecticut (R. 31-121). The Special Master did not see or hear the testimony of the witnesses testifying before the Commissioner. A large part of the evidence was documentary. There were more than threescore exhibits, the originals of which were transmitted to the Circuit Court (R. 108-121, 143-153). Many of these exhibits were the advertising media of the parties. The Circuit Court was in a position to view these exhibits and judge to what extent Petitioner simulated Respondent's advertising.

Where testimony consists of documentary evidence and depositions a Master is in no better position to determine the issues of the facts than a reviewing court. In **Carter Oil Co. v. McQuigg**, 112 F. (2d) 275 (7 C. C. A.), where there was documentary evidence, depositions and some oral testimony before the Master, the court said:

“Where the testimony consists of documentary evidence and depositions, the master is in no better position to determine an issue of fact than a reviewing court. The District Court's finding on such evidence is likewise subject to free review unaffected by presumptions which ordinarily accompany their findings on controverted issues.”

Respondent has not sought damages in this case. It is simply seeking to protect its good name, established through long years of honest dealing. A good name that it cherishes and values; one which is "rather to be chosen than great riches."

It is most respectfully submitted that the writ of certiorari should be denied.

Respectfully submitted,

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A true copy of the foregoing brief was duly served upon Hon. Harvey Deramus, one of the attorneys of record for Petitioner, on this day of March, 1942.

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